



One state. One system.

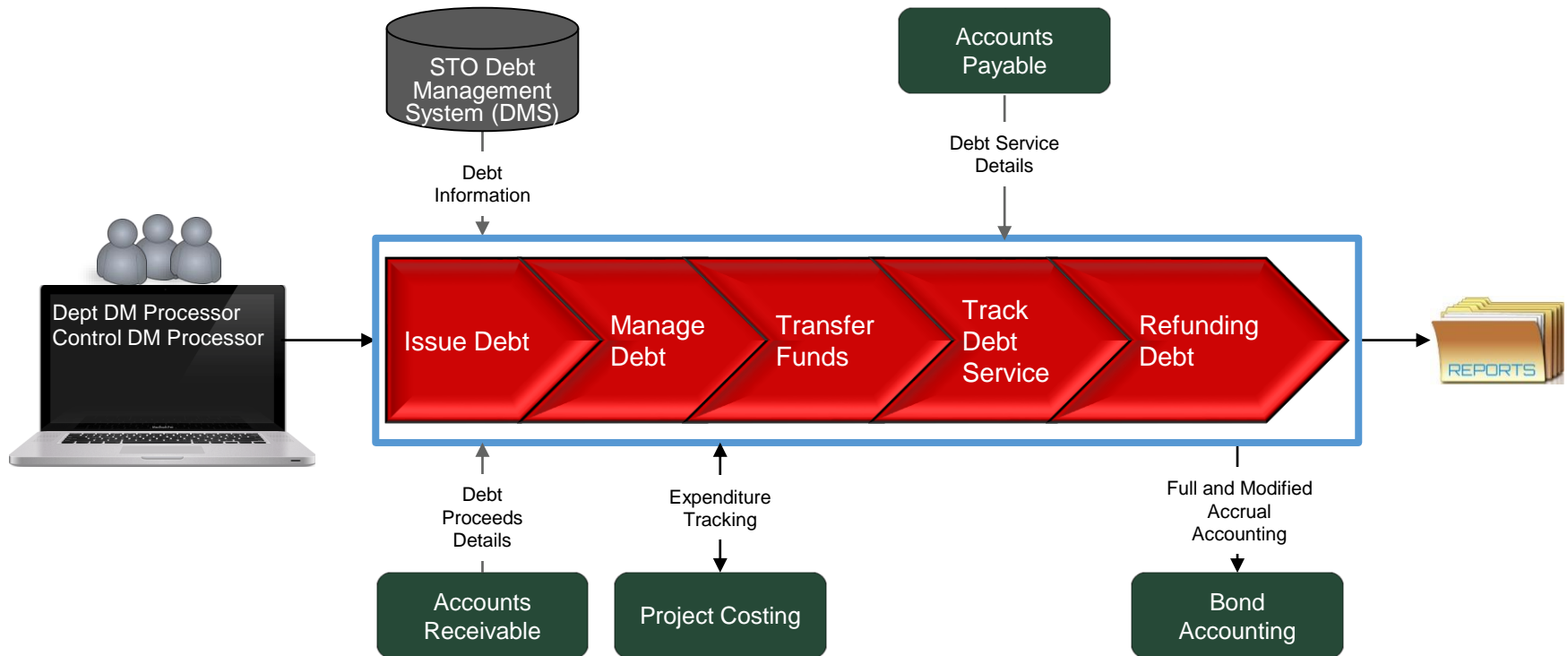
FI\$Cal Change Discussion Guide

Appendix I: Bond Accounting Guide

2017 SCO/STO Release



Bond Accounting (BA)



Issue Debt – Record Debt

Process Overview	Key Impacts
<ul style="list-style-type: none"> ■ The actual authorization and issuance of debt will be performed outside of FI\$Cal. The accounting entries are generated from FI\$Cal that will record debt lifecycle events. ■ There are four avenues to input debt information into FI\$Cal Deal Management (DM) <ul style="list-style-type: none"> □ DMS to DM (Sale, Debt Service, and Refunding) □ Fee Update to DM □ Price Update to DM □ Manual Deal to DM 	<p>Generate Debt Issuance</p> <ul style="list-style-type: none"> ■ The actual issuance of debt will be performed outside of FI\$Cal <p>Record Debt Issuance</p> <ul style="list-style-type: none"> ■ STO managed debt will be interfaced into DM ■ The accounting entries generated from DM will record Debt Lifecycle events to the department adjustment ledger on a full accrual basis

Issue Debt – Record Debt

Process Overview	Key Impacts
<ul style="list-style-type: none"> ■ Record Debt includes the following sub-processes: <ul style="list-style-type: none"> □ Generate Debt Issuance □ Record Debt Issuance □ Deal Update Spreadsheet □ Record Manual Deal 	<p>Deal Update Spreadsheet</p> <ul style="list-style-type: none"> ■ SCO or debt issuing Departments will be required to populate required information in two separate spreadsheet templates (fee template and price template) ■ Examples of required information include Price % of Par and Fees such as ‘Underwriter Discount’, ‘Prepaid Insurance’, or ‘Cost of Issuance’

Issue Debt – Record Debt

Process Overview	Key Impacts
<ul style="list-style-type: none"> ■ Record Debt sub-processes continued: <ul style="list-style-type: none"> □ Record Manual Deal 	<p>Record Manual Deal</p> <ul style="list-style-type: none"> ■ SCO or debt issuing Departments will be required to populate basic commercial paper information in a spreadsheet upload ■ Basic information includes date of issuance, amount issued, and program

Issue Debt – Debt Proceeds

Process Overview	Key Impacts
<ul style="list-style-type: none"> ■ The Debt Proceeds business process supports the recording and application of monies received directly into the State Treasury in the FI\$Cal Accounts Receivable module ■ The STO will record the proceeds amounts it receives ■ The SCO will record the proceeds to the correct funds using the Controller's Receipt Interface ■ Debt Proceeds includes the following sub-processes: <ul style="list-style-type: none"> □ Debt Proceeds to State Treasury □ Record Proceeds Deposits 	<p>Debt Proceeds to State Treasury</p> <ul style="list-style-type: none"> ■ STO records proceeds in FI\$Cal for debt where STO is the trustee ■ STO will need to provide to the SCO an allocation worksheet on the same day as the Remittance Advice, these documents will need to be updated for FI\$Cal ChartFields ■ Every debt issuance (including C.P.) will require a new fund ■ The fund will have the Debt Project ID listed as an attribute

Issue Debt – Debt Proceeds

Process Overview	Key Impacts
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Issue Debt

Control-Specific Impacts and Notes

- As we transition to FI\$Cal roles and responsibilities will change as follows:
 - [ROLE] – [CHANGE IN ROLE RESPONSIBILITIES]
 - [ROLE] – [CHANGE IN ROLE RESPONSIBILITIES]
- Department business processes around Debt will change as follows:
 - [ENTER CHANGE IN BUSINESS PROCESS]
 - [ENTER CHANGE IN BUSINESS PROCESS]
- Increased communication and integration between the following business areas will be needed:
 - [ENTER IMPACTED AREAS] - [ENTER ACTIVITY THAT MUST BE COMPLETED TOGETHER]

Issue Debt

FI\$Cal End-User Roles

Summary Role	Description
Control DM Processor	The control agency end users who will: <ul style="list-style-type: none"> - process debt issuance, including viewing debt details to validate, reversing debts and performing any necessary manual refunding or defeasances - process interfaces related to debt issuance.
STO Demand Journal Processor	The STO end users who will record demand journals (deposits) in FI\$Cal.
SCO STO AR Payment Processor	The end users who will: <ul style="list-style-type: none"> - enter payment data - apply payments to invoices (through worksheets or Payment Predictor) - run FTB/Lottery Offset and Outbound FTB Interfaces.

Issue Debt

FI\$Cal End-User Roles

Summary Role	Description
SCO Appropriation Approver	The SCO end users who will: <ul style="list-style-type: none"> - create and post statewide controlling budget journals - post appropriation transactions interfaced from Hyperion - override claim budget exceptions.
DM Processor	The end users who will process debt issuance not administered by STO.
AR Payment Processor	The end users who will enter deposit and payment data, including applying payments to invoices.
BI/AR Approver	The end users who will review, update, and approve bills, receivable items, and deposit and payment data, including setting transactions to post.

Issue Debt

FI\$Cal End-User Training

Course ID	Course Name
DM101	Introduction to Deal Management
DM101	Verifying Bond Sale
DM101	Running the Bond Inventory Report
DM102	Bond Accounting Overview (including Related Training for other modules)
DM102	Creating and Updating a Deal

Manage Debt – Debt Funded Transactions

Process Overview	Key Impacts
<ul style="list-style-type: none"> ■ SCO establishes initial transfer budgets in the proceeds fund and, if needed, reallocates using the Transfer Authority Request form submitted by the departments ■ Generally debt funded transactions require a cash transfer ■ All debt funded transactions require cash validation ■ Debt Funded Transactions includes the following sub-processes: <ul style="list-style-type: none"> □ Tracking Expenditures □ Debt Funded Expenditures 	<p>Tracking Expenditures</p> <ul style="list-style-type: none"> ■ Departments will now define Expenditure (Exp) Projects for their internal reporting requirements, Exp Projects/Programs are required on the Funding Request ■ Departments can track and report on project expenditures at a detailed level ■ Expenditures will be linked to Debt using the Debt Project ID listed in the fund attributes

Manage Debt – Debt Funded Transactions

Key Impacts	Key Impacts
<p>Debt Funded Expenditures (FI\$Cal Depts)</p> <ul style="list-style-type: none"> ■ Cash Transfer Letters for will no longer be required ■ Depts can establish Fund Transfer Rules to automatically transfer cash ■ Fund Transfer Rules must be approved by the SCO prior to use ■ Exp Project is required to track expenditures 	<p>Debt Funded Expenditures (Non-FI\$Cal Depts)</p> <ul style="list-style-type: none"> ■ Depts can establish Fund Transfer Rules to automatically transfer cash ■ Fund Transfer Rules must be approved by the SCO prior to use

Manage Debt

Control-Specific Impacts and Notes

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- Increased communication and integration between the following business areas will be needed:
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Manage Debt

FI\$Cal End-User Roles

Summary Role	Description
SCO GL Journal Processor	<p>The SCO end users who will:</p> <ul style="list-style-type: none"> - create journals in the modified accrual, cash adjustment, full accrual adjustment ledgers - process the transfer of cash into the bond expenditure sub-funds - run online edit and budget check and submit to the journal approval process - run the process to load investment accounting details to FI\$Cal - runs the process to pass transaction request details to FI\$Cal.

Manage Debt

FI\$Cal End-User Roles

Summary Role	Description
SCO GL Journal Approver	<p>The SCO end users who will:</p> <ul style="list-style-type: none"> - approve specified journals - approve AR direct journal payments - review and approve investment accounting entries - review and approve department requests for transfers between CTS bank accounts - correct claim funding information in case of invalid ChartField translation - update and correct funding information for claims marked in error, run the claim validation process, and set up the Legacy Defaults page.
SCO Cash Validation Exception Processor	The SCO end users who will override cash validation exceptions.

Manage Debt

FI\$Cal End-User Roles

Summary Role	Description
STO AP Processor	The STO end users who will enter, research, delete, and correct vouchers.
SCO Pay Cycle Processor	The SCO end users who will: <ul style="list-style-type: none"> - run warrant pay cycle - generate outbound print files - post payments for warrants.
STO Pay Cycle Processor	The STO end users who will: <ul style="list-style-type: none"> - run pay cycle, - cancel payments - post payments.

Manage Debt

FI\$Cal End-User Roles

Summary Role	Description
PC Processor	The end users who will: <ul style="list-style-type: none"> - create projects - maintain projects
GL Processor	The end users who will: <ul style="list-style-type: none"> - creates journal entries in the Modified Accrual ledger - review and update the journal entries within the Cash Management module.
GL Approver	The end users who will approve department journal entries.

Manage Debt

FI\$Cal End-User Roles

Summary Role	Description
AP Processor	The end users who will : - create vouchers for the payment of invoices - manage the vouchers through budget checking, hold, and matching activities
AP Approver	The end users who will approve the vouchers for payment.
AP Payment Processor	The end users who will run the department's Pay Cycle and manage the payments, including canceling, posting, and escheating departmental checks.
AR Payment Processor	The end users who will enter deposit and payment data, including applying payments to invoices.
BI/AR Approver	The end users who will review, update, and approve bills, receivable items, and deposit and payment data, including setting transactions to post.

Manage Debt

FI\$Cal End-User Training

Course ID	Course Name
DM101	Introduction to Deal Management
DM102	Bond Accounting Overview (including Related Training for other modules)

Transfer Funds

Process Overview	Key Impacts
<ul style="list-style-type: none"> ■ Debt funded expenditures require transfers of cash between debt proceeds sub-funds and related expenditure sub-funds ■ Automated Debt Cash Transfers <ul style="list-style-type: none"> □ When Fund Transfer Rules have been established, FI\$Cal is capable of automatically transferring cash related to vouchers processed in the Accounts Payable during the Pay Cycle process □ These Fund Transfer Rules require SCO approval ■ Manual Debt Cash Transfers <ul style="list-style-type: none"> □ In all other instances, manual transfers are needed 	<h3>Automated Debt Cash Transfers</h3> <ul style="list-style-type: none"> ■ This process is occurs during the Pay Cycle for Accounts Payable voucher expenditures ■ Cash Transfer Letters for Debt Cash Transfers will be replaced and automated by this process if the automated Fund Transfer Rules are established ■ This process does not currently replace other types of Transfer Letters, which will continue to be used outside of FI\$Cal

Transfer Funds

Process Overview	Key Impacts
<ul style="list-style-type: none"> ■ Transfer Funds includes the following sub-processes: <ul style="list-style-type: none"> ▣ Automated Debt Cash Transfers ▣ Manual Debt Cash Transfers 	<p>Manual Debt Cash Transfers (FI\$Cal Depts)</p> <ul style="list-style-type: none"> ■ FI\$Cal Depts will submit journals in FI\$Cal instead of transaction requests <p>Manual Debt Cash Transfers (Non-FI\$Cal Deptts)</p> <ul style="list-style-type: none"> ■ Non-FI\$Cal Depts will continue to submit Cash Transfer Letters for their cash transfers ■ Cash Transfer Letters for Debt Cash Transfers will be updated for this process

Transfer Funds

Control-Specific Impacts and Notes

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 - [ENTER IMPACTED AREAS] - [ENTER ACTIVITY THAT MUST BE COMPLETED TOGETHER]

Transfer Funds

FI\$Cal End-User Roles

Summary Role	Description
SCO GL Journal Processor	<p>The SCO end users who will:</p> <ul style="list-style-type: none"> - create journals in the modified accrual, cash adjustment, full accrual adjustment ledgers - process the transfer of cash into the bond expenditure sub-funds - run online edit and budget check and submit to the journal approval process - run the process to load investment accounting details to FI\$Cal - runs the process to pass transaction request details to FI\$Cal.

Transfer Funds

FI\$Cal End-User Roles

Summary Role	Description
SCO GL Journal Approver	<p>The SCO end users who will:</p> <ul style="list-style-type: none"> - approve specified journals - approve AR direct journal payments - review and approve investment accounting entries - review and approve department requests for transfers between CTS bank accounts - correct claim funding information in case of invalid ChartField translation - update and correct funding information for claims marked in error, run the claim validation process, and set up the Legacy Defaults page.
SCO Cash Validation Exception Processor	The SCO end users who will override cash validation exceptions.

Transfer Funds

FI\$Cal End-User Roles

Summary Role	Description
GL Processor	The end users who will: - creates journal entries in the Modified Accrual ledger - review and update the journal entries within the Cash Management module.
GL Approver	The end users who will approve department journal entries.

Transfer Funds

FI\$Cal End-User Training

Course ID	Course Name
DM101	Introduction to Deal Management
DM102	Bond Accounting Overview (including Related Training for other modules)
DM102	Automated Bond Fund Transfers

Track Debt Service

Process Overview	Key Impacts
<ul style="list-style-type: none"> ■ Debt Service and amortization schedules are available in DM for each debt and account for the principal and interest payments. ■ Debt Service payments are made directly out of Accounts Payable using STO data. ■ Deal Management provides payment schedules that are prepared by the STO and debt issuing departments. ■ Track Debt Service includes the following sub-processes: <ul style="list-style-type: none"> □ Debt Service Payments 	<p>Debt Service Payments (FI\$Cal Depts)</p> <ul style="list-style-type: none"> ■ STO and FI\$Cal Depts will submit vouchers instead of claim schedules ■ The debt project will be included on the debt service voucher ■ Include Claim ID as Invoice ID ■ Include only 1 fund per voucher <p>Debt Service Payments (Non-FI\$Cal Depts)</p> <ul style="list-style-type: none"> ■ For non-STO managed debt, Non-FI\$Cal Depts will continue to submit claim schedules

Track Debt Service

Control-Specific Impacts and Notes

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Track Debt Service

FI\$Cal End-User Roles

Summary Role	Description
STO AP Processor	The STO end users who will enter, research, delete, and correct vouchers.
SCO Pay Cycle Processor	The SCO end users who will: <ul style="list-style-type: none"> - run warrant pay cycle - generate outbound print files - post payments for warrants.
STO Pay Cycle Processor	The STO end users who will: <ul style="list-style-type: none"> - run pay cycle, - cancel payments - post payments.

Track Debt Service

FI\$Cal End-User Roles

Summary Role	Description
AP Processor	The end users who will : - create vouchers for the payment of invoices - manage the vouchers through budget checking, hold, and matching activities
AP Approver	The end users who will approve the vouchers for payment.
AP Payment Processor	The end users who will run the department's Pay Cycle and manage the payments, including canceling, posting, and escheating departmental checks.
SCO AP Expedite Processor	The SCO end user with access to approve vouchers created through SCO Expedite processing workflow.
SCO AP Expedite Approver	The SCO control end user with access to add and review vouchers on behalf of non-FI\$Cal departments through SCO Expedite processing.

Track Debt Service

FI\$Cal End-User Training

Course ID	Course Name
DM101	Introduction to Deal Management
DM101	Processing Bond Debt Service
DM102	Bond Accounting Overview (including Related Training for other modules)

Refunding Debt

Process Overview	Key Impacts
<ul style="list-style-type: none"> ■ New refunding debt is issued to pay off old debt, normally to achieve cost savings associated with lower interest rates (i.e. to refinance the bonds) ■ This process allows STO and debt issuing Departments to add refunding details into FI\$Cal for refunding (sell/buyback), defeasances, calling a debt, etc. ■ Refunding Debt includes the following sub-processes: <ul style="list-style-type: none"> □ Refund Debt □ Commercial Paper Refunding 	<p>Refund Debt</p> <ul style="list-style-type: none"> ■ The main analysis between DOF and STO occurs outside FI\$Cal to determine refunding needs ■ The data interfaced from DMS or added manually will produce the appropriate accounting entries and calculate refunding gain/loss related to refunding ■ A new fund will need to be created for all refunded debt (including C.P.) <p>Commercial Paper Refunding</p> <ul style="list-style-type: none"> ■ Commercial paper will be refunded on a first in, first out basis

Refunding Debt

Control-Specific Impacts and Notes

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Refunding Debt

FI\$Cal End-User Roles

Summary Role	Description
Control DM Processor	The control agency end users who will: <ul style="list-style-type: none"> - process debt issuance, including viewing debt details to validate, reversing debts and performing any necessary manual refunding or defeasances - process interfaces related to debt issuance.
DM Processor	The end users who will process debt issuance not administered by STO.

Refunding Debt

FI\$Cal End-User Training

Course ID	Course Name
DM101	Introduction to Deal Management
DM101	Processing Bond Refunding
DM102	Bond Accounting Overview (including Related Training for other modules)
DM102	Refunding a Deal

Bond Accounting

- For additional information on the business processes, key terms, functionality, and end user role definitions for Bond Accounting, please reference the business process workshops (BPWs) on the FI\$Cal Website: http://www.fiscal.ca.gov/wave_3_resources/index.html
- For additional information on end-user training, visit the Training page of the FI\$Cal Project website at: <http://fiscal.ca.gov/training-academy/index.html>